



## State of Connecticut

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Sen. Bob Duff, Senate Chairman  
Rep. William Tong, House Chairman  
Sen. Scott Frantz, Ranking Member  
Rep. Mike Alberts, Ranking Member

Re: Testimony *In Support* of Raised House Bill 5892, *An Act Concerning Interest On Security Deposits*

Date: February 10, 2011 Public Hearing

Thank you for raising **House Bill 5892**, *An Act Concerning Interest On Security Deposits*, for public hearing and for consideration by the Banks Committee. This issue was brought to my attention by a landlord who contacted the State Banking Department to inquire why landlords would be required to pay 1.50% interest on renter security deposits when banks are currently paying a fraction of that amount in interest. This situation reflects current statute in Connecticut. Other states, however, correlate and adjust the amount of interest required with current bank rates. It would seem reasonable that landlords should not be required to pay more interest than they collect on the renter security deposit accounts that landlords are required to maintain.

**rHB 5892** seeks to remedy this inequitable circumstance, and to bring Connecticut statute into best practice by matching the amount of interest paid out by landlords with the current bank deposit rates.

I respectfully urge your consideration and support of this proposal. Thank you for offering **rHB 5892** an opportunity for public input.